

南洋商業銀行有限公司
香港德輔道中151號

NANYANG COMMERCIAL BANK, LTD.
151 DES VOEUX ROAD CENTRAL
HONG KONG

TEL : 2852 0888
FAX : 2815 3333



28 June 2003

Dear Customer,

New Conditions and Rules for services

As part of our continuing efforts to provide quality services to you, we will introduce one set of Conditions for Services and 3 sets of Rules to replace the existing 11 sets of our terms and conditions¹ for services with effect from 28 July 2003.

The new Conditions are written in simple and modern language for your ease of reference. We take this opportunity to make some fine-tuning, with the substance of the other existing terms and conditions remaining unchanged. The new Conditions and Rules are available from any of our branches, and may be downloaded from our website **www.ncb.com.hk**. Major changes are summarized as follows² (for details please refer to the respective sections of the terms and conditions as indicated in brackets. Unless stated as Rules, the brackets refer to the new Conditions) :

Authorised signatories cannot open new accounts or apply for new services, if the account holder is individual(s), unless with the consent of the Bank (Part 1, 1.3).

- A password is a means approved by the Bank for your authentication. If you are a private individual, unauthorised transactions are binding in case you have acted fraudulently. However, in certain cases, unauthorised transactions using your password are binding (Part 1, 2).
- Our service providers may process / store your personal data in or outside Hong Kong. They will be liable to take reasonable care of keeping your data confidential and to observe, in conformity with local laws, the Personal Data (Privacy) Ordinance (Part 1, 3.3).
- You are advised to examine statements of account and confirmations upon receipt. In case you detect any error or unauthorised transaction, you shall notify the Bank within 90 days. If you do not do so, entries will become binding. However, this is subject to certain exceptions. For example, if you are a private individual, and the unauthorised transactions arise from the Bank's default or negligence (Part 1, 8).

¹ General Terms and Conditions for Banking Services, Terms and Conditions for Transactions in Securities, Terms and Conditions for Transactions in Debt Securities, Terms and Conditions for Services in Funds, Unit Trust, etc., Terms and Conditions for FX Margin Trading (HKD), Terms and Conditions for FX Margin Trading, Terms and Conditions for PM/FX Margin Trading, Terms and Conditions for Currency Option Deposit, Terms and Conditions for Currency Option Trading, Terms and Conditions for Monthly Stocks Savings Plan and Common Terms and Conditions for Money Mate Service. Our existing Terms and Conditions for Notional Precious Metals Passbook Account and Terms and Conditions for Equity Linked Deposit will continue to be in full force and effect until they are replaced by new Rules at a later stage after our further notification to the relevant customers.

² Please note that the changes highlighted above are for reference only and you should read the full version of the new Conditions and Rules which shall prevail in the event of discrepancy.

南洋商業銀行有限公司
香港德輔道中151號

NANYANG COMMERCIAL BANK, LTD.
151 DES VOEUX ROAD CENTRAL
HONG KONG

TEL : 2852 0888
FAX : 2815 3333



- Representations regarding client accounts have been added, to reflect new anti-money laundering regulations. (Part 1, 11.2).
- The limits of our liabilities, set-off, lien and some provisions relating to IT's banking services have been redrafted (Part 1, 12 and 14, and Part 2, 7).
- Your authorised signatories of an investment account or settlement account may operate both accounts and any linked deposit (Part 3, 1.7).
- In relation to investment transactions entered into with the Bank as principal, events of default have been redrafted, with the addition of provisions for calculating the amounts payable following termination of transactions (Part 3, 6).

Signature numbers are for our internal purposes and are not referred to in the Conditions.

Provisions for particular products are put into the Rules.

- Metals / FX Margin Trading: If you deposit a margin, it will be calculated as a percentage of the values of outstanding contracts. We will calculate such values with reference to a formula determined by the Bank from time to time and with reference to Hong Kong dollars or US dollars. If the margin falls below the required maintenance percentage, you will replenish it immediately. You are therefore advised to monitor your account by yourselves as the Bank will not notify you (Rules: Metals / FX Margin Trading, Rule 4).

Inward remittances

If a remittance to your account is received in a currency different from that of your account, it will be converted into the currency of your account at our spot rate, and will then be credited into your account.

Outsourcing

As part of our on-going exercise to improve our operational efficiency, service support centre operated and managed by our closely related company has been established in the People's Republic of China to assist us in the processing of data.

We and the service support centre are committed to safeguarding and will remain fully responsible for the confidentiality and security of our customers' data. All data will continue to be available in Hong Kong and will not be disclosed to third parties unless required by law.

If you have any queries about the contents of this letter, please feel free to contact any of our branches during banking hours or call our customer service hotline on 2852 0826.

Please be informed that if you do not agree to accept all the new Conditions and Rules, we may not be able to continue providing service to you.

Yours faithfully,
Nanyang Commercial Bank, Ltd.